

ALLIANCE FOR A SAFE ALTERNATIVE FUELS ENVIRONMENT

FEBRUARY 6, 2008

VIA ELECTRONIC MAIL

The Honorable Jeff Bingaman, Chairman
The Honorable Pete V. Domenici, Ranking Member
Committee on Energy & Natural Resources
United States Senate

Dear Chairman Bingaman and Senator Domenici:

As members of the Alliance for a Safe Alternative Fuels Environment (AllSAFE), the undersigned national organizations are pleased to submit their views for the record for your Committee's hearing on the national renewable fuels mandate recently signed into law. The members of AllSAFE appreciate the compelling reasons that support expanding the market for renewable fuels, including ethanol. However, any alternative fuels requirements that emerge from the new mandate must fully consider the implications of gasoline blended with higher concentrations of ethanol on existing and new products powered by gasoline fuel.

AllSAFE urges the Committee and the federal agencies charged with implementing the new Renewable Fuels Standard (RFS) to carefully consider and respond to the serious concerns of over 200 million Americans that own and operate well over 300 million products, including recreational boats and marine engines, chainsaws, lawnmowers, motor vehicles, motorcycles, ATVs, snowmobiles, generators, and related vehicles and equipment. Mid-level ethanol blends (over 10 percent ethanol) may cause substantial damage to these consumers' engines, equipment and vehicles, which are designed to run on conventional gasoline, as opposed to the new flexible fuel vehicles (FFVs) that are specifically designed to run on much higher ethanol blends (e.g. E85).

Indeed, as part of the Energy Bill that you and your Committee ushered through the Senate, Congress included an important environmental safeguard (Sec. 251) which strengthens the Clean Air Act approval process for new fuels, including mid-level ethanol blends. This provision, passed with broad support in Congress and with the backing of industry, environmental and consumer groups, seeks to ensure that any new fuels approved by the Environmental Protection Agency (EPA) are compatible with existing and future engine products and will not contribute to air pollution.

Section 211(f) of the Clean Air Act prohibits the introduction into commerce of a fuel or fuel additive unless that fuel or fuel additive is "substantially similar" to pre-existing fuels or fuel additives in use in the 1975 vehicle model year. In order to grant a "sub sim" waiver under Section 211(f)(4), EPA must determine that the fuel or fuel additive will not: (1) cause or contribute to the failure of any emission control device or system over the life of a vehicle; or, (2) cause or contribute to the failure of a vehicle to meet the emissions standards for which the vehicle has been certified. Until last year, however, Section 211(f)(4) stated that if EPA does not act on a petition for a sub sim waiver within 180 days of its submission, the petition is deemed granted, even in the absence of EPA action or consideration of the petition's merits.

Recognizing this serious flaw, Congress approved a provision which strengthens the Section 211(f) waiver approval process, requiring EPA to ensure that any new fuel blend does not cause or contribute to the failure of an on-road or non-road emission control device. Further, the provision requires EPA to

engage in a public notice and comment period in order that all relevant stakeholders, including engine manufacturers and consumers, have an opportunity to have their views heard. In addition, the period is extended to 270 days for EPA to affirmatively approve or deny a Sec. 211 waiver for the introduction of a new fuel, such as mid-level ethanol.

Congress passed this provision because it recognized that there are significant risks and policy concerns with mid-level ethanol fuels when used in conventional products. AllSAFE estimates there are more than 300 million pieces of existing on-road and off-road vehicles and equipment powered by gasoline engines. These products are valued at over \$2 trillion. It is imperative that the U.S. Congress and the affected regulatory agencies (like EPA and DOE) make absolutely sure that there will not be any degradation of these existing and new products – particularly as a result of the increased heat and the increased corrosion that may result from mid-level ethanol fuels when used in on-road and off-road engines, boats, equipment, and vehicles.

Currently, there is little available data on the emissions, air quality, public health or safety impacts of mid-level ethanol. To ensure that the approval of such fuels does not cause unintended harm to air quality or risk the safety of consumers, EPA and DOE should transparently and comprehensively examine all of the potential adverse impacts and risks of mid-level ethanol fuel blends, as Congress has now directed them to do. To be sure, the solution to these public policy concerns is not to ban or undermine the increased use of ethanol fuels. In fact, all the stakeholders (including the associations below) want to avoid consumer rejection of all ethanol blends (including E85) that will occur if mid-level ethanol blends damage consumers, their products, or their environment.

Thank you for your consideration of our views. For more information, please contact Kris Kiser, Outdoor Power Equipment Institute (OPEI), at (703) 549-7600; kkiser@opei.org.

Sincerely,

National Marine Manufacturers Association

Outdoor Power Equipment Institute

Personal Watercraft Industry Association

International Snowmobile Manufacturers Association

Association of International Automobile Manufacturers

Boat Owners Association of the United States (BoatU.S.)

Alliance of Automobile Manufacturers

Motorcycle Industry Council

Specialty Vehicle Institute of America

Engine Manufacturers Association

Association of Marina Industries

Cc: Members of the Committee